

OVERVIEW OF BUDGET

DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE
COUNTY ADMINISTRATIVE OFFICER: JOHN F. MICHAELSON
BUDGET UNIT: NON-DEPARTMENTAL REVENUE (AAA FAD)

I. GENERAL PROGRAM STATEMENT

The non-departmental revenue program includes income that is not directly related to any particular county activity. This discretionary revenue finances departmental budgets' local cost. Interest on notes appropriations reflect costs related to the county's annual short-term borrowing for cash flow needs. These costs are more than offset by earnings in the county's investment program. Special departmental expense appropriations are for county expenses that cannot be appropriately charged to a specific department, such as, outside attorney fees for pending litigation.

	Actual 1999-00	Budget 2000-01	Actual 2000-01	Budget 2001-02
<u>Appropriations</u>				
Special Dept Expense	1,194,341	1,725,526	1,353,994	1,809,664
Interest on Notes	11,749,270	12,375,000	12,916,155	12,375,000
Total Appropriation	12,943,611	14,100,526	14,270,149	14,184,664
<u>Revenue</u>				
Taxes	135,871,221	137,461,648	143,708,591	141,106,588
Forfeit & Penalties	45,823	314,152	60,169	29,152
Use of Money & Prop	35,677,396	34,375,000	38,304,018	37,375,000
State Aid	92,720,496	96,796,980	105,323,189	105,443,570
Federal Aid	1,193,497	890,000	990,375	990,000
Current Services	26,818,323	27,719,799	26,697,197	29,654,799
Other	1,001,248	400,000	10,439,142	1,150,000
Total Revenue	293,328,004	297,957,579	325,522,681	315,749,109

II. BREAKDOWN OF REVENUES

TAXES

	Actual 1999-00	Budget 2000-01	Actual 2000-01	Budget 2001-02
Co Share - Prop Tax	106,841,919	109,655,914	111,191,235	110,680,914
Supplemental Tax Roll	1,446,766	1,300,000	2,368,978	1,300,000
Prior Prop Tx/Pnlts	4,343,671	3,780,000	5,061,880	4,205,000
Sales and Use Tax	13,406,206	12,930,060	13,887,200	15,000,000
Franchise	3,572,561	3,606,924	4,162,997	3,656,924
Property Transfer	4,458,605	4,600,000	4,904,282	4,600,000
Other Taxes	1,801,493	1,588,750	2,132,019	1,663,750
Total Taxes	135,871,221	137,461,648	143,708,591	141,106,588

The county's share of the 1% property tax for 2001-02 is estimated to be \$110.7 million. This includes an increase to assessed valuation of 4.5%, offset by a decrease in unitary revenues partially due to a decline in valuations based on litigation settled in the early 1990's. Unitary valuations have also decreased due to the sale of power plants within the county that will now be locally assessed and become part of the normal secured tax levy. Unitary estimates have not been decreased due to the energy situation facing the state. Property tax actuals for 2000-01 reflect \$3.9 million of ERAF relief from the state, offset by reductions in both unitary taxes and penalties on current taxes.

In addition to property tax, the county is authorized to collect other types of taxes in the unincorporated areas. Sales and use taxes are projected to increase, although at a slower rate than in prior years. These estimates are based on over-performance in 2000-01, combined with forecasts by the State of California and local economists. Franchise taxes are collected primarily from utility company and cable TV revenue. Although franchise fees over-performed in 2000-01, there is no corresponding increase in budget due to the unknown effect of the state power situation on these fees. Other taxes consist of aircraft, racehorse, and hotel/motel taxes.

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FORFEITURES AND PENALTIES - \$29,152

The budget is the estimated county share from Vehicle Code violations. This revenue is down from the prior year due to the restructuring of trial court funding by the state.

USE OF MONEY AND PROPERTY - \$37,375,000

Total interest earnings are projected at \$37.4 million. These earnings will be offset by \$12.4 million in expenses associated with the short-term revenue anticipation notes program. Based on estimates of market conditions, the net earnings are projected at \$25 million. Increases to this revenue source are associated with earnings related to the issuance of a 15 month tax and revenue anticipation notes in the prior year and ongoing Teeter Plan earnings in the tax loss reserve fund. Also included is \$1.4 million to recognize interest apportionment corrections from prior years.

STATE AID

	Actual 1999-00	Budget 2000-01	Actual 2000-01	Budget 2001-02
Motor Vehicle In Lieu	90,765,216	94,997,980	102,270,842	103,644,570
Other Aid	1,955,280	1,799,000	3,052,347	1,799,000
Total State Aid	92,720,496	96,796,980	105,323,189	105,443,570

Motor vehicle in-lieu tax is based on vehicle registration fees and new car sales statewide. Distribution of these funds is made on the basis of population. The proposed budget continues to show an increase in these revenues, although at a slower rate than in previous years, due to the over-performance this revenue source has experienced in 2000-01 combined with forecasts by local economists. Other aid consists of a payment from the welfare realignment trust fund which replaced the state revenue stabilization program and SB90 reimbursements from the state.

FEDERAL AID - \$990,000

Federal payments in lieu of taxes are due to federally owned lands within the county. This revenue is increased slightly based on the actuals incurred in 2000-01.

CURRENT SERVICES

	Actual 1999-00	Budget 2000-01	Actual 2000-01	Budget 2001-02
Reimb-Indir Costs	16,345,820	16,662,199	14,634,030	18,662,199
Law Enf Svc	4,022,879	3,937,000	3,985,115	3,937,000
Sheriff Cont Ovrhd	1,047,184	1,000,000	1,131,128	1,000,000
SB813 Cost Rmb	637,400	820,600	1,282,878	755,600
Other Services	4,765,040	5,300,000	5,664,046	5,300,000
	26,818,323	27,719,799	26,697,197	29,654,799

Various state and federal grants permit the county to claim certain overhead costs against them. In addition, most fee supported general fund departments and taxing entities, such as the library and Board-governed special districts, are charged COWCAP to recover costs incurred in the general fund on their behalf. Reimbursement for indirect costs reflects those recovered allowable costs included in the 2001-02 countywide cost allocation plan. The increase in the 2001-02 budget from prior year is due to increases in costs of departments that are allocated as overhead.

Law enforcement services reflect the amount estimated to be recovered through the jail booking fee. The budget is based on a fee of \$159.72 on approximately 24,600 bookings. This fee was not increased for 2001-02.

Sheriff contract overhead represents certain county overhead charges recovered through city law enforcement contracts with the Sheriff's Department.

SB 813 cost reimbursement represents allowable charges for administration and operation of the supplemental property tax program. This reimbursement is tied directly to the performance of supplemental property tax revenue.

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Other services reflect the property tax administrative fee which the legislature provided for counties to recover the cost of property assessment and tax collection process from certain other local jurisdictions. This revenue is tied directly to the cost of that collection effort.

OTHER REVENUE - \$1,150,000

Other revenue consists of voided warrants issued by the county and projected transfers of unclaimed property tax refunds to the general fund.